

Australia's imperialist insurance policy

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Amidst the big issues--oil, imperialism, Islam--a British observer of the 2003 Iraq war had a seemingly minor question. Australian troops in Iraq 'can't be playing any role which the US and British forces couldn't perform without them. So what on earth are they doing there?'¹ Some Australians also thought it self-defeating: didn't Australia need to look after its direct interests in the Asia Pacific region instead of sending troops on globe trotting expeditions?

Many in the anti-war movement thought it showed John Howard was a 'lapdog' for George Bush, Australia a 'servile mendicant to US interests.'² This echoed complaints that the Government of Robert Menzies had sold out Australian interests in the Vietnam war; the antidote being a genuinely 'independent' foreign policy. But sending troops to Iraq was part of a pattern going back much further in Australian history. Our rulers' intention has always been to advance Australia's *own* imperialist interests.

There are many theories of imperialism,³ but I will use a simple definition. The capitalist state's most important task is securing the best conditions for capital accumulation: stability, pro-business legal frameworks and policies, and quiescent labour movements (see chapter 3). Since business crosses borders, states intervene internationally by economic, diplomatic or military means. Because of the uneven development of the world economy, a small number of great powers can do this on a world scale. That is classic imperialism.

The Australian state lacks a global reach, but it does project power. Firstly, it tries to influence the global situation, and its big power connections give it a certain leverage. Secondly, it has a stake in the predominance of the great power with which it is allied, Britain, today the USA. Thirdly, it seeks to impose its will on the local region, with the help of big power backing.

An imperialist history

Economic boom after the 1850s gold rushes made Australia a centre of capital accumulation. Local capitalists then sought new outlets for investment and trade. Expansionist sentiment grew.

The NSW parliament resolved that Fiji should become a British possession, then the call emerged for Victoria to seize the islands, even though London disapproved. *Melbourne's Age* wrote:

The most prosperous colonies have been founded without the assistance of, frequently in direct antagonism to, the wishes of the parent State... if England refuses to interfere, Australia will do well to discuss the advantages or disadvantages of stepping into the breach... Since England can rule India, why should not Victoria make the experiment of trying to rule Fiji?⁴

Britain finally did annex Fiji in 1874. By 1900 the Melbourne-based Colonial Sugar Refining Company (CSR) had invested over two million pounds there, was exporting 88 per cent of the islands' sugar and spirits, and had imported tens of thousands of Indian labourers into Fiji.

Queensland was eager to grab New Guinea. Sugar planters in the colony's north, which recorded the arrival of 62 000 islanders between 1863 and 1904, wanted more black labour. In 1883, Premier Thomas McIlwraith sent a small party there to raise the British flag. He wasn't acting on British instructions--far from it. He hoped that once the flag was flying it would never be hauled down. Britain failed to back him, but *The Age* did. It opposed coloured labour but saw the issue in strategic terms.

The unappropriated parts of the world are rapidly being seized upon... England can afford to disregard the extension of French colonies in distant areas [but] our security is at stake. Sooner or later it must come to something like a Monroe doctrine for Australia;

and we shall have to intimate unmistakably that no foreign annexations will be permitted in countries south of the [equatorial] line.⁵

The Monroe Doctrine was the United States' declaration of US hegemony in the western hemisphere. In this spirit, public meetings all over Australia demanded the seizure of north-eastern New Guinea from the Germans and New Caledonia from the French, but the British Government disapproved. Amidst similar agitation over the New Hebrides, Lord Salisbury complained that the colonists were 'the most unreasonable people I ever have heard or dreamt of. They want us to incur all the bloodshed, and the danger, and the stupendous cost of a war with France... for a group of islands which to us are as valueless as the South Pole...'⁶

Since the mother country's interests did not entirely match their own, the colonists needed additional leverage within the Empire. One strategy was to join British military forays in other parts of the globe, in the hope that this would be reciprocated with support in the Asia-Pacific. An opportunity arose when Britain intervened in the Sudan. The NSW government quickly offered troops. In the aftermath Britain did indeed seize south-eastern New Guinea. Lord Rosebery thought that acting NSW Premier Dalley had 'played a great card for Australia and the Empire'.⁷

colonial Australia did not support imperial aggression because its politicians were lapdogs. They acted in the calculated self-interest of the ruling class.

Capitalists whose states are not prepared for war are at a huge disadvantage compared to rivals who are, even though war can also set back the forces of production by wasting and destroying productive resources, and by killing vast numbers of workers. The two World Wars exemplified the contradictions between capitalist forces and relations of production.

Australia joined World War I primarily because Britain and the Empire were its chief export markets and had to be preserved. At the same time, war was an opportunity to renew local expansionist designs. Most importantly, it was finally time to take over German New Guinea. *The Age* was pleased that, 'by virtue of the European war an unexpected path has been opened to the furtherance of our ambition [to lay down] the foundations of a solid Australian sub-empire in the Pacific Ocean.'⁸

Similarly, Australia postponed endorsement of the 1914 Anglo-French protocol on administration of the New Hebrides, hoping, by war's end, to force the French out. Presbyterian churches in NSW and Victoria in 1915 called on the government to use the war to do just that, as did sections of the Australian Natives Association, even though France was an ally against Germany.

Under Billy Hughes's government, the push for the New Hebrides subsided because he had something else on his mind. Hughes spoke of an 'Australasian Monroe Doctrine' but recognised this was only viable with help from powerful allies against the 'menace' of Japan. Accordingly 'we rejoice that France has interests in the South Pacific.'⁹ The tactics shifted but the core objective remained to enlist great power support for Australian interests in the Asia-Pacific. The emerging threat to these was Japan.

The Japanese were allies of Britain, but Australia did not let that obscure its own strategic interests. Japan's entry into the war against Germany and seizure of a number of German-occupied islands created tensions. Hughes said 'Australia greatly dreads Japan's future aims,'¹⁰ apparently telling a closed parliamentary session that conscription was necessary because 'Japan would challenge the White Australia policy after the war ... Australia would need the help of the rest of the Empire, and ... if she wishes to be sure of getting it she must now throw her full strength into the war in Europe.'¹¹

The diggers at far away Gallipoli died to bolster Australian imperialism closer to home, with baleful consequences.

Whereas the Germans had ... allowed New Guineans to engage in cash cropping, the new Australian administration moved to either restrict or ban it. Whereas Germany,

with its strong industrial economy, wanted to develop New Guinea's raw material exports, Australia ... discouraged any production that could compete with Australia's. And the maximum flogging allowed for breaches of labour discipline on the plantations was promptly doubled...'¹²

Having invested so many Australian lives in the European carnage, Hughes arrived at the 1919 Versailles Peace Conference determined to extract maximum benefits, demanding control of all the South Pacific islands taken from Germany and the creation of a special 'C-class' League of Nations mandate to cover what is now Namibia and certain Pacific islands. The occupying powers would be able to impose their own laws, most importantly racist immigration controls. When Japan proposed an anti-racist motion, Hughes belligerently opposed it.

Versailles was the first time an Australian government leveraged its modest participation in great power affairs to achieve global objectives.

Australia's involvement in World War II stemmed partly from the economic importance of the Empire, but antagonism to Japan was foremost from the start. Japan is always portrayed as the aggressor--why just look at Pearl Harbour!--and Australia as directly threatened. But, in reality, both the United States and Australia bore considerable responsibility for the conflict. Roosevelt wanted to go to war, but needed an event like Pearl Harbour to win over a sceptical American public. Not long before the Japanese attack, US War Secretary Stimson wrote that 'the question is how we should manoeuvre [Japan] into the position of firing the first shot'. He later told a Congressional committee that 'to have the full support of the American people it was desirable to make sure that the Japanese be the ones to do this.'¹³

Sections of the Australian ruling class wanted war too. In 1933, the *Sydney Daily Telegraph* headlined 'War with Japan is inevitable'; the Government began to raise military spending from 1933-1934; and in 1936 Canberra's 'trade diversion' policy set off a trade war with the Japanese. Australian policy 'helped confirm Japan in her conviction that her dependence upon foreign sources of essential supplies constituted a weakness ... which must at all cost be remedied'. It was remedied by seizing China. The war was fought over colonies and resources amidst the economic pressures created by the 1930s depression.¹⁴

Contrary to myth, Japan had no plans to invade this country. It lacked the military capacity to control such a large continent, especially as an intense industrialisation drive in the 1930s had much increased Australia's fighting capacity.¹⁵

While Australia entered the war as a junior partner of British imperialism, after Britain's defeat at Singapore the United States became the great power backer for Australia's local interests. The two countries' joint efforts restored Australian control over eastern New Guinea. But Australia wanted to push further than the Americans liked. Labor Foreign Minister, H. V. Evatt suggested that 'the two nations should divide control of the Pacific between them' and the US Ambassador to Canberra conveyed reports that Evatt wanted 'sovereignty over all Solomons, Hebrides, and Fiji groups', intending 'to bargain for Australian ownership or domination up to the equator.'¹⁶ After the war, he used great-power connections to gain influence at the UN.

Modern times

In the 1950s, Liberal Prime Minister Robert Menzies backed the USA in the Korean War and Britain in the Malayan emergency, while trying to influence events further afield, most notably during the Suez crisis. Then, in the 1960s, Australia found a new bargaining chip that significantly raised its stocks in Washington. This country was a perfect location for US communications bases, eventually established at Pine Gap, Nurrungar and Northwest Cape. These represent Australia's biggest contribution to US interventions globally and a conspicuous statement of long-term US involvement in this region.

A common view of the Vietnam war is that the United States dragged a craven Australian government. In reality Menzies and his successor, Harold Holt, did considerable dragging of their own. Like many of their Australian predecessors, they were more hawkish than most great power policy makers and even pressured the US to step up the war.

When President Johnson, re-elected on a 'peace' platform, was reluctant to escalate by launching the 'Phase 2' bombing campaign, the Australian Chiefs of Staff began arguing 'that current US programs were inadequate and even if increased in intensity, they alone were not capable of securing victory ... an interdepartmental meeting on 15 January recommended that Australia should take the lead and encourage the US to begin Phase 2'. There was 'no doubt Canberra sought a more aggressive and substantial US intervention.' Adviser McGeorge Bundy told Johnson that 'the Australians have been urging us to take stronger action for at least two weeks.'¹⁷

The Vietnam war was in our region. Why did Australia send troops to the Persian Gulf, in 1990-1991 and 2003, and also to Afghanistan? Of course Australia's rulers have a stake in US governments' attempts to make the world safe for big business, but so do others who did not send troops.

Left-nationalists have suggested Labor and Coalition governments were subservient to America. In fact, Bob Hawke *pressured* the US to include Australia in the first Gulf campaign. Australian governments were sending troops to gain leverage with the great power, hoping that it could be induced to back Australia in this region.

This helps us understand why the commitments have escalated. In 1991 Australia sent a token force, corresponding to the relatively benign Asia-Pacific strategic environment with its booming 'Asian Tigers'. Canberra counted on the likes of Indonesia's President Suharto to ensure stability. But, by the time of the 1998 Gulf flare up, Suharto had fallen and East Timor was in turmoil. Fearing the worst, Howard sent SAS troops to join the Americans, as US good will might suddenly become very important. 'We are paying our dues now', wrote military expert Paul Dibb, 'in case we require American assistance in the future.'¹⁸

By 11 September, 2001 Australian strategists were bemoaning an 'arc of instability' running from Aceh through West Papua, Papua New Guinea (PNG), Bougainville, the Solomons and Fiji. Accordingly Howard sent a relatively high powered Australian contingent to help US President George Bush in Afghanistan.

The 'war on terror' became a pretext for the United States to attack opponents at home and abroad, and the Australian government embraced Bush's Iraq campaign enthusiastically. Then came the Bali bombings. When they prompted some critics of war on Iraq to say Australia should stay focused on its local region, Alan Oxley of the APEC Study Centre set them straight:

We will want to increase our counter-terrorism capability... Can we secure the changes needed with our own resources? No matter how much money we spend, the size of our economy places a limit on how much influence we can exert [but] the US can create an environment where Australian actions to counter terrorism can have greater effect... Action against Iraq... is fundamental to our encouraging the US to continue to work against Islamic terrorism in South-East Asia.¹⁹

Most Australians thought that Australian troops liberated East Timor in 1999. In fact, their dispatch was an imperialist intervention. For twenty five years Labor and Liberal governments backed the Suharto dictatorship in Indonesia and turned a blind eye to its Timor genocide. The Howard Government only intervened as Indonesian forces were pulling out, in order to shape the new regime in East Timor.²⁰ Canberra has been ruthless in carving up the underwater oil and gas deposits near Timor. If these were divided according to a 1982 UN Convention, East Timor would get most of the rich Greater Sunrise reserves. But Australia insisted on the boundaries negotiated with Suharto. Howard delayed agreement on the Timor Sea Treaty, which covers other reserves, to push East Timor into accepting Australian terms on Greater Sunrise.

Having 'paid its dues' in the Gulf and elsewhere, Canberra expected prompt American backing in Timor. Yet the US initially showed little interest. Why?

After Vietnam the USA had begun to pull back. A former senior diplomat said Washington 'decided that Indonesia was not as strategically important, ... Suharto no longer needed to be supported, and that it was better to see political change in Indonesia. So when the Asian crisis hit, they designed the IMF's terms for Indonesia in such a way as to force him out.'²¹

Actually the Americans did not dump Suharto quite so suddenly. But the key point is that that Washington is less directly engaged in this region than Canberra. So, while Bill Clinton finally agreed to support the Timor 'peacekeeping' venture, it was a lower priority for the US. This shocked the Australian foreign policy establishment. Former diplomat Duncan Campbell recalled the experience of the 1960s:

The great Australian expectation of US combat commitment to us everywhere in the Malay world must be permanently purged. The US dumped us over West New Guinea, refused to define ANZUS to include Borneo during Sukarno's confrontation of Malaysia, and insisted the Commonwealth alone make defence arrangements for Malaysia and Singapore.²²

If Australia was to project power 'everywhere in the Malay world' with less direct US backing, the military budget would have to rise. That helps explain the 2000 Defence White Paper's call to increase spending by almost \$24 billion over ten years.²³

We can now more fully understand Howard's eagerness to send significant forces to Afghanistan, and later to Iraq. The Timor crisis suggested that Canberra was not paying the USA a high enough insurance premium to underwrite the Australian imperial sphere of influence in the Asia-Pacific.

Howard's increased arms budget might have made a slightly more independent foreign policy possible, but this was not a blessing. It just increased Australian militarism. While Howard said it was about defence, the White Paper acknowledged 'A full-scale invasion of Australia... is the least likely military contingency Australia might face. No country has either the intent or the ability to undertake such a massive task.'²⁴

Australia's sphere of influence has remained remarkably constant over the decades. An Intercolonial Military Committee recommended, in 1896, that 'the defence region of Australia [should] be extended to include New Zealand, New Caledonia, the New Hebrides, New Guinea, and portions of Borneo and Java.'²⁵ The White Paper said 'Our second strategic objective is to help foster the stability, integrity and cohesion of our immediate neighbourhood, which we share with Indonesia, New Zealand, Papua New Guinea, East Timor and the island countries of the Southwest Pacific ...'²⁶

In these islands, Australian investment must be protected from troublesome trade unionists or nationalisation. There are raw materials, including Timor Gap oil and the mines of West Papua and New Guinea. In addition there is the vital issue of sea lanes. A sixth of all Australian trade--over \$30 billion--passes through Indonesian straits on the way to key trading partners in North Asia. It needs protection.

Recent developments in our local imperialism reflect dramatic changes in global capitalism. Over the past several decades, *neo-liberalism* has emerged as the dominant economic philosophy. Put simply, neo-liberals demand 'deregulation' of national economies, an opening up to international capital flows, privatisation of government business enterprises, and attacks on trade unions and community organisations (see chapter 2). While the theory advocates a 'level playing field' for everyone, in practice the power of wealthy states and transnational corporations ensures they are winners, while underdeveloped countries often suffer, along with working people everywhere.²⁷ This philosophy has accompanied a dramatic 'globalisation' of trade, capital and information flows.

Australia's rulers have signed up to much of the neo-liberal agenda, pursuing privatisation and 'deregulation' internally and imposing 'structural adjustment' on the Pacific states.

Since the destruction of the World Trade Centre on 11 September 2001, neo-liberalism has been complemented--and in some ways contradicted--by the triumph of *neo-conservatives* in America and Australia. As exemplified by the Bush and Howard administrations, neo-conservatism combines 'structural adjustment' with more overt use of the state machine and military power. Thus the interventions in East Timor, Afghanistan, Iraq; and the restrictions on civil liberties embodied in the US 'Patriot Act' and Australia's ASIO legislation.

It is a grim picture; but working people in Australia and the region have long resisted imperialism.

Fighting back

The resistance's strength and political complexion has depended heavily on the role of organised labour. While class struggle is endemic, it normally takes place under capitalist hegemony. Participants' ideas are constrained by capitalist 'common sense', and their leaders generally collaborate to some degree with the ruling class (see chapter 4).

Australia's first great movement against imperialism arose during World War I. The war initially brought a surge of patriotism, but, as it dragged on, working class people turned against it. Mass campaigns defeated two attempts to introduce conscription, and a general strike rocked New South Wales. In Broken Hill, the Labor Volunteer Army swore to defy conscription, Sydney workers held a 100 000-strong rally and the Labor Party expelled Prime Minister Hughes.

Unfortunately many ALP politicians opposed the war in ways that capitulated to imperialism and racism. J. H. Catts argued Australia was fighting the wrong battles, because the next great war 'would be between the white and yellow races. Yet today there was the sorry spectacle of the great white races battering each other to pieces.'²⁸ Such sentiments also infected the rank and file; even the revolutionary and normally anti-racist Industrial Workers of the World were not immune.²⁹ The anti-war movement barely challenged some nationalist and racist assumptions which tied workers to their rulers.

Similar trends emerged during World War II. At first working class sentiment, partly educated by the Communist-led Movement Against War and Fascism, was highly sceptical. As late as 1942, citizens in the coal mining centre of Cessnock felt that the war '[did] not concern them'.³⁰ However the Communists followed Soviet policies which required them to make links with sections of the Australian ruling class. This limited their anti-imperialist agitation, as illustrated by the Waterside Workers' 1938 campaign against pig iron shipments to Japan.

The wharfies were on sound anti-imperialist grounds in supporting China against Japanese invasion, but they also embraced potentially pro-imperialist Australian nationalism, with the Communist press condemning the 'pseudo-patriotic Lyons government' for 'grovelling' to foreigners. This helps explain why the watersider workers received support from that bastion of patriotic militarism the Returned Services League and from former Governor-General Isaac Isaacs.³¹

Once the USSR entered the war, the Communists became ardent patriots, even breaking strikes for the sake of war production. The Communist Party became respectable and recruited heavily among the middle classes. Its militant working class outlook was not entirely put aside: Communists campaigned against racism in the US army, led strikes among soldiers for better conditions and demanded self-determination for New Guinea and Indonesia. The absence of a *consistent* anti-imperialist force in the labour movement, however, meant that the war itself was never seriously challenged.

Key activists campaigning against the Vietnam War came from the Labor Party (notably Jim Cairns), Communist groups, and the unions. The ACTU criticised Australian involvement and the Seamen's Union refused to crew two ships, the *Boonaroo* and *Jeparit*, heading for Vietnam. When

draft resister John Zarb was jailed, thirty-four union officials demanded his release. Large union contingents joined Moratorium marches and their participation was associated with a surge of industrial militancy including a general strike in 1969.

Again, however, the movement failed to consistently challenge imperialism. Labor leader Arthur Calwell subordinated everything to 'one crucial test: what best promotes our national security', agreeing with conservatives on 'the American alliance, opposition to Communism, and the common determination to keep Australia safe and inviolable'.³²

The Labor left, Communist Party and militant trade unions were cautious about a frontal challenge to US imperialism, preferring conciliatory slogans like 'Stop the Bombing--Negotiate!' This reflected the ALP's desire to remain acceptable to the ruling class, and the left's concern not to antagonise the ALP mainstream. Later they demanded an end to the war, yet the basis of most opposition was still nationalism. The Communist Party of Australia (Marxist Leninist) called Prime Minister Billy McMahon 'a servile, snivelling lackey'.³³

The 1991 Gulf War provoked sizeable anti-war demonstrations. However the protest movement was brief because the war was short, and the imperialists' easy victory meant that it had a limited impact.

The next great campaign against imperialism took on the leading neo-liberals at the 2000 World Economic Forum in Melbourne. Twenty thousand demonstrators blockaded the site, forcing the cancellation of some sessions. The action was part of a string of mobilisations from Seattle to Europe and on to Cancun, between 1999 and 2003. It was a powerful, radicalising experience, yet contradictory. The militant groups blockading the conference established an alliance with left wing trade unions. But, while the unions held an impressive demonstration, they were somewhat stand-offish about the blockade. Many blockaders subscribed to internationalist sentiments whereas the unions countered neo-liberal free-trade policies with more ambiguous calls for 'fair trade':

In the past, Australian unions called for tariffs to 'defend jobs'; now this is often coupled with demands for union rights and restrictions on child labour in countries which compete for Australian markets. This position straddles two camps; for some it is a coded call for protectionism, while for others it marks a real desire for international solidarity.³⁴

Thus the labour movement was still dogged by nationalism.

Campaigns against the 'War on Terror' culminated in huge demonstrations against the 2003 war on Iraq. Organised labour's role was again significant, especially in Victoria where the Trades Hall Council brought together the Victorian Peace Network. Yet Trades Hall made little effort to mobilise rank and file trade unionists on a *class* basis. When, at one forum, I asked Council secretary Leigh Hubbard about industrial action, he said it was a remote prospect. This reflected the low levels of industrial struggle and hence working class self-confidence in Australia over the previous two decades.

Once again, neither the industrial nor the broad political left moved beyond capitalist politics. In fact, many activists cherished illusions in members of the bourgeoisie who criticised the invasion and in the United Nations, which had legitimised the 1991 Iraq war. In Australia, former Liberal Party leader John Hewson and retired General Peter Gration regarded the risks, for Australian capitalist interests, of involvement as too high. Globally French President Chirac and Russian President Putin opposed the war because their imperialist interests rivalled those of the USA. Seeing prominent bourgeois figures criticise the war made opposition respectable, which helps explain the huge demonstrations. But, without independent politics and links to class struggle, the movement lacked staying power. Once the shooting started, the demonstrations shrank dramatically.

A popular argument against sending Australian troops harked back to J. H. Catts: Canberra was fighting the wrong war and should focus on its Asia-Pacific interests. 'We've got a lot to do in our

own region,' said Greens leader Bob Brown, 'we shouldn't go ... sending Australians to Baghdad.' Leftish commentator Philip Adams thought the troops 'should have stayed at home, helping us tackle terrorism in the region'. ALP spokesperson Kevin Rudd, referring to alarm about North Korean nuclear weapons, argued that Australia should 'focus our full forces on the bushfire in our back yard'.³⁵

These sentiments were a gift to John Howard, who co-opted them within months, using the precedent of East Timor and the concepts of 'humanitarian intervention' and 'failed states' drawn from justifications for successive American adventures, to intervene in the Pacific.

The push in the Pacific

Australia is a significant player in the Pacific. Its products account for 37 per cent of Fiji's imports. In 2001-2002, the Solomon Islands imported \$64 million in Australian products--almost half of total imports--while exporting \$2 million to Australia. In 2002-2003 Australia's exports to Kiribati reached \$38.1 million, while our imports from Kiribati ran to \$285 000. The Australian-owned Gold Ridge mine has paid out a miserly three per cent royalty to the Solomons.³⁶

The United States has explicitly recognised Australia as the local 'police'³⁷ and Canberra assumes it has the right to intervene in the Pacific. Some of the region's problems derive from a breakdown of the large public sector the colonial powers left behind. In the 1990s, imperialism began to impose neo-liberal policies. The World Bank and Australian National University academics warned that the islands were not matching economic successes in the Caribbean and the Indian Ocean, indeed that growing population pressures threatened to send them backward. Islanders needed market-oriented reforms including massive public sector job cuts, free trade and regressive value-added taxes. Much of today's Pacific malaise results from these policies.³⁸

In Fiji, the government set about privatising water, provoking powerful community resistance. In the Solomons, Prime Minister Bartholomew Ulufa'alu implemented a Canberra-backed program of public sector job cuts and privatisation.

In June 2002, the Solomons asked the IMF, the World Bank and 'donor' countries for a substantial injection of funds. Canberra led the charge to demand, in return, a further slashing of jobs and government spending. That same month, Honiara ceded control of its finances by appointing New Zealand 'reform' consultant Lloyd Powell to head its Finance Department.

Then the 1997-1998 Asian economic crisis caused a withdrawal of Malaysian capital. As the Solomons' economy deteriorated, tensions grew between Guadalcanal people and new settlers, particularly from Malaita, drawn to the capital Honiara by its better economy. In 1999 Guadalcanal militants took control of the countryside around the capital, and set up the Malaita Eagle Force (MEF). Militants of the MEF and disaffected police staged the first of a series of coups. A pattern of warlordism ensued.

The crisis arising from neo-liberal *economic* policy imperialism provided the pretext for direct neo-conservative *military and political* intervention a few years later. The government-funded Australian Strategic Policy Institute (ASPI) provided the rationale. Its 2002 *Beyond Bali* report had remarked that 'Australian policy since decolonisation has consistently stressed the need to allow these countries to manage their own problems... It seems ... this approach will no longer work.'³⁹

A report followed called *Our failing neighbour*. It called the Solomons a 'failing state' requiring a 'sustained and comprehensive multinational effort ... to rehabilitate the country'. '[P]ost-September 11', it said 'state failure is now one of the key issues on the international security agenda'.⁴⁰ John Howard and Foreign Minister Alexander Downer quickly extended the logic to other islands.

The Solomons intervention in 2003 went smoothly. It opened up opportunities for Australian capital, including a prison management contract for Kerry Packer's GRM International, and laid the

basis for intervention elsewhere. Australian troops spearheaded the Solomons action, but more significant in the long-term was Australian administrators taking over key posts in the state machine. Howard secured formal endorsement for this from the Pacific Islands Forum. An element of strong-arming became apparent, however, when Howard imposed Australian Greg Urwin on the Forum as its Secretary General, against stiff opposition.

Papua New Guinea is vastly more important for Australian imperialism, which dominates the country's economy, as its largest trade partner and source of foreign investment. Apart from Australia and New Zealand, PNG has by far the largest economy in the south-west Pacific, with a GDP of over \$5 billion in 2003. Australia provided 45 per cent of PNG's imports, worth \$853 million, in that year and purchased 29 per cent of its exports, worth \$1 515 million. In 2002-2003 alone Australian investment in PNG amounted to about \$1.5 billion.⁴¹

The 2002 PNG budget featured huge tax exemptions for mining companies, paid for by cutting education and other public services. PNG is the world's fourth-largest gold producer and Canberra wants mining companies to have maximum freedom to operate there. But these companies have provoked opposition in the past, partly because of the environmental destruction they have caused.

When Rio Tinto's mining activities on Bougainville provoked a civil war, Canberra provided helicopters and other military aid to help crush the rebels. Later, when the Howard Government looked for a peace deal, it twisted arms in Port Moresby; whereupon hawks in the PNG Government brought in mercenaries. This provoked a mutiny in the armed forces. Then Canberra began applying pressure for more neo-liberal reform, until the PNG government accepted calls for privatisation from the International Advisory Group, headed by Professor Ross Garnaut. He was also chairman of Lihir Gold, a CRA/Rio Tinto venture in PNG, whose mine tipped 110 million cubic metres of cyanide-contaminated waste and 20 million tonnes of rock into the ocean in a rich area of marine biodiversity.

In December 2003, the Australian government used aid to pressure PNG into accepting Australian appointments to senior jobs in its public service, police and courts. Nauru was similarly obliged to accept Australian bosses for its police and finance department.⁴²

But haven't these 'failed states' lost control; haven't they squandered aid? ASPI says their 'continued viability ... is now uncertain', so don't they need Australians to come in and fix things?

While there are serious problems, we should not generalise. Unlike the Solomons or Fiji, most Polynesian and Micronesian states have not experienced ethnic conflicts. Many of their difficulties, conversely, are those troubling much of the world, including unemployment, sex tourism and HIV. Some regimes are repressive and corrupt, but Fiji's 1997 constitution has better human rights provisions than our own. The Bishop of Malaita wrote during the Solomons intervention that 'the Solomon Islands have serious economic and security problems but they are *not* in a state of anarchy and chaos.'⁴³

Australian aid goes to agreed programs, so there is often little scope for the local government to misuse it. Much of the aid is delivered by Australian companies, so it is really a 'boomerang' program, diverting most of the benefits back to Australia.⁴⁴ 'Tied aid', which is Australian policy, is more costly than untied, but that is not a major consideration given that the Australian program's prime objective is the Australian 'national interest' rather than helping people in other countries.⁴⁵

Since the late 1990s over \$120 million of Australian aid to PNG has been directed to strengthening the police. When we hear of Australian aid to the military and the cops, we should remember these are not exactly benign forces; think of the coups in Fiji as well as the Solomons.

But wasn't PNG falling apart? No, actually AusAID boasted in 2003 that, 'with Australian assistance', life expectancy there had risen, infant mortality had declined and literacy had improved since independence in 1975. Retiring head of the Pacific Islands Forum, Noel Levi told Radio Australia in 2003 that lawlessness in Port Moresby was similar to big Australian cities. 'The law

and order situation was worse a few years ago, but PNG has worked its way through it'.⁴⁶ Much criminality is linked to poverty. Over 70 per cent of inmates at Port Moresby's main prison are from Goilala province, one of the most undeveloped areas but one into which AusAID puts relatively few resources.

Because the Howard Government made its opening moves in East Timor and the Solomons, where it could expect considerable support, there was not initially much questioning of its more aggressive interventionist policies in Australia nor much direct resistance in the islands. But there is potential for that to change.

The campaign against privatisation in Fiji--an alliance of trade unions, NGOs and churches--helped bring the opposition Labour Party to power in 1999. Despite the subsequent coup, privatisation has not occurred. In the Solomons, the end of warlordism has allowed trade unions to rebuild.⁴⁷ In East Timor, demonstrators protested against Australia's grasping approach to oil negotiations, chanting sarcastically: 'Aussie Aussie Aussie, oil oil oil!'⁴⁸

If imperialism is a continuing feature of Australian capitalism, so is resistance at home and abroad.

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Endnotes

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- 21 Quoted in Peter Hartcher 'Home alone' *Australian Financial Review* 18-19 September 1999.
- 22 Duncan Campbell 'Invisible friends are no comfort' *The Australian* 15 September 1999.
- 23 Commonwealth of Australia *Defence 2000: our future defence force* Canberra, 2002; discussed in Tom O'Lincoln 'An arc of instability' *Socialist worker review* 4, May 2001.
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